# **A blue and green background  Description automatically generatedPre-Audit Review Checklist**

Instructions

## Use this checklist to assess your business's audit readiness. Check off items as you confirm them.

## **Financial Statements and Reports**

[ ] Balance sheet is current and balanced

[ ] Income statement reconciles with supporting documents

[ ] Cash flow statement accurately reflects all cash movements

[ ] All financial statements use consistent accounting methods

[ ] Prior period adjustments are documented and explained

[ ] Financial ratios are calculated and variances explained

## **Bank and Cash Management**

[ ] Bank reconciliations completed for all accounts

[ ] Bank statements available for past 12 months

[ ] Outstanding checks and deposits documented

[ ] Petty cash reconciled and receipts organized

[ ] Bank account signatories list is current

[ ] Electronic payment authorizations documented

## **Revenue and Receivables**

[ ] Sales records match bank deposits

[ ] Customer invoices are sequentially numbered

[ ] Accounts receivable aging report is current

[ ] Bad debt write-offs are documented and approved

[ ] Sales returns and allowances are properly recorded

[ ] Revenue recognition policies are documented

## **Expenses and Payables**

[ ] Vendor invoices match payment records

[ ] Purchase orders are properly authorized

[ ] Expense categorization is consistent

[ ] Accounts payable aging report is current

[ ] Credit card statements reconciled with receipts

[ ] Travel and entertainment expenses properly documented

## **Payroll**

[ ] Payroll tax returns filed and payments made

[ ] Employee files contain required documentation

[ ] Time records support payroll payments

[ ] Benefits calculations are accurate and documented

[ ] Contractor vs. employee classifications reviewed

[ ] Overtime calculations verified

[ ] Workers compensation insurance current

## **Tax Documentation**

[ ] Prior year tax returns available

[ ] Quarterly estimated tax payments documented

[ ] Sales tax collected and remitted properly

[ ] Property tax assessments and payments current

[ ] Local tax and license requirements met

[ ] Tax depreciation schedules updated

## **Asset Management**

[ ] Fixed asset register is current

[ ] Depreciation calculations documented

[ ] Asset purchases properly authorized

[ ] Asset disposals recorded and authorized

[ ] Equipment maintenance records available

[ ] Inventory counts reconciled to records

## **Contracts and Agreements**

[ ] Lease agreements current and accessible

[ ] Insurance policies current and adequate

[ ] Loan agreements and covenants reviewed

[ ] Vendor contracts organized and current

[ ] Employee agreements filed and accessible

[ ] Software licenses documented

## **Internal Controls**

[ ] Segregation of duties documented

[ ] Authorization matrices current

[ ] Access rights to systems reviewed

[ ] Password policies enforced

[ ] Backup procedures tested

[ ] Fraud prevention controls documented

## **Entity Documents**

[ ] Articles of incorporation/organization current

[ ] Board/member meeting minutes filed

[ ] Business licenses current

[ ] Ownership/shareholder records updated

[ ] Annual reports filed

[ ] State and local registrations current

## **Policies and Procedures**

[ ] Accounting policies documented

[ ] Employee handbook current

[ ] Safety procedures documented

[ ] Emergency procedures updated

[ ] Record retention policy followed

[ ] IT security policies documented

## **Prior Audit Materials**

[ ] Previous audit reports reviewed

[ ] Prior year audit points addressed

[ ] Management letters responded to

[ ] Corrective actions documented

[ ] Working paper requests organized

[ ] Audit correspondence filed

## **Special Considerations**

[ ] Related party transactions documented

[ ] Conflict of interest disclosures current

[ ] Unusual transactions explained

[ ] Industry-specific compliance met

[ ] Environmental regulations reviewed

[ ] Legal matters documented

## **Pre-Audit Administrative Tasks**

[ ] Audit room or workspace prepared

[ ] Electronic access rights arranged

[ ] Contact list updated

[ ] Document request list reviewed

[ ] Staff availability confirmed

[ ] Timeline established

[ ] Confidentiality agreements ready

## **Notes on Using This Checklist**

1. Start review at least 6-8 weeks before audit
2. Assign responsible individuals to each section
3. Set internal deadlines for completion
4. Document any open items or concerns
5. Maintain a status log of completed items
6. Schedule regular progress meetings
7. Prepare explanations for any exceptions

Last Updated: [Date]

Completed By: [Name]

Review Date: [Date]